App F IX-4

Previous References

1953-54
CM

File No. ~~97-53~~

Serial Nos. ~~1, 2~~,

CM I-53-71-72 71, 72

Later References
CM 52-54-38
CM 52-54-76,77

GENERAL AND REVENUE SECRETARIAT

Serial Nos 4

Part B for November 1953

SUBJECT

abolition of the Provident Fund System in lieu of Pension in respect of employees of the Establishment Civil Station Municipality, Bangalore

L 10251-4/ Dated 16/17th November 1953

The Comm., Bangalore corpn. (thro' the Mayor)
Accountant-General
Controller, S.A.D.
Addl. Bangalore Corporation

Sanctions

WD 015467—GPB—25,000—12 9-51

G [illegible]APP F III—1]

GENERAL AND REVENUE SECRETARIAT

( )

NOTES

File No

FILE HEADING

Adoption of the provident Fund System in lieu of pension in respect of employees of the erstwhile civil station Municipality, B'lore

FROM

The Commr., Corporation of the city of B'lore

No B 1 - 51 Dated 25/26.4.51 Received - -

Diary No 676 mel	Enclos	Spare copies	Serial No

BRIEF ABSTRACT OF LETTER

Forwards resolution dated 12.2.51 of the Corporation on the Subject

NOTES AND ORDERS

Before the reorganisation of the Corporation, all the employees of the Blore city Came under the pension System and the benefit Conferred to them were now Among the employees of the civil station previous Municipal Commission, Some Came under pension and others under the provident Fund System. 11 Employees are now stated to be under pension and 249 under the P.F. System

2) After the Corporation Came into existence

First Sheet

this differentiation as the Conditions of Service was considered to be no longer desirable the Corporation has therefore Resolved at the meeting held on 12.2.81 that the benefit of pension may be extended to all the employees who have been hitherto Contributing to the provident Fund and to Refund their Subscriptions to them at the time of Retirement, the Subscriptions so far Contributed thereof treated as optional

3) The amount now available under the provident Fund as stated to be Rs 1,34,250/- as on 31.3.81 and Rs Rs 4,348 7-2 on the S B account and total Rs1,38,598-7-2 whether this amount Represents the mere Subscriptions from the Officials ~~and also~~ or also includes the Corporation's Equal amount to be paid by the Corporation is not clear from the Contents of the

4) The Cost to the Corporation under the provident Fund Rules based at least on the previous averages and the Cost Computed as per formula accepted for the Calculation of pension by the proposed Change over has not been worked out and the information furnished to order to have an idea of the financial implications of the proposals

5) The Refund of the Subscriptions at the time of Retirement treating the Contribution to the fund as optional

676/Fund

3

introduction pension system formerly in Corporation has been proposed. Whether this employees Health Insurance Scheme also continues to contribute to the provident Fund at their option without the benefit of bonus is not understood If that should be so, the benefit of the Fund Regulations should be open to all the employees of the Corporation under a new set of Rules to be framed to eliminate the perpetuation of any kind of distinction

6) It is for orders whether further clarification on the above points may be obtained by the Comm or the Examiner for L F Accounts in person as Consultant for his orders

7) Further particulars seem necessary before Consulting the Examiner, L F A

8) The Examiner L F Accts maybe Consulted w-d in the first instance L S G Secy) MS 19/5

9) Yes Ma 24/5/51 MS 4/6

No 60 dated 6 6 51

Forwarded in original to the Examiner, Local Fund Accounts for kindly favour of his Remarks on the proposals of the Corporation

Sd

for Secretary to Govt Local Self Govt Dept

6/6/51

OFFICE OF THE EXAMINER LOCAL FUND ACCOUNTS BANGALORE No 802 Date 7/6

No 1317 Date 26/5

28/5/51

4

U O No 2102 /C S A dated 11th August 1951

The proposal of the Corporation is to convert the present Provident Fund Scheme in respect of some 249 employees of the erstwhile Municipal Commission, Civil Station, now forming part of the Corporation staff, into a pension scheme under the Mysore Service Regulations which is applicable to all the other employees of the Corporation except a few pensioners, also of the former Civil Station, who took service prior to the introduction of the Provident Fund Scheme

It has to be mentioned at the outset that the full financial implications of the proposed conversion do not appear to have been examined by the Corporation and little thought seems to have been given to the extra cost involved While it is difficult to say without actuarial calculations what the precise extra cost will be in each case and as a whole, an attempt has been made with the available information to work out in what region the increase in expenditure on this account will lie A basis for such a computation can be had in the fact that for a long time past Government have prescribed 1/9th of the salary as ~~any excess~~ the pensionary contribution of a Government servant whose services are lent to Local Bodies It may therefore be assumed for the present purpose that 1/9th of the salary at any given time would fairly represent the pensionary liability of the employing authority at any given time It has also been stated in a fairly authoritative manner (vide para 55 of the Economy Officer's Report) that actuarial and other calculations show that 1/9th of the establishment charges may at any time be taken as a fair index of the cost

cost on account of pensions It therefore follows that the cost during any particular year to the Corporation on account of the grant of pensions to any particular staff is likely to be about 1/9th of the salary and establishment bill of that staff if in service The present Provident Fund Scheme, which was instituted in the year 1924, contemplates on the other hand a contribution of one anna in every Rupee of the salary by every employee towards his Provident Fund and the payment of the accumulated sum with interest accrued thereon to the employee at the time of his retirement after adding on a like sum as the Corporation's contribution (called a Bonus) It is thus seen that the commitment of the Corporation at present is 1/16th of the salary from month to month, whereas the pensionary liability would be in the region of 1/9th of the salary Prima facie, therefore, the conversion of the Provident Fund Scheme into the Pension Scheme would involve a heavier burden on the Corporation funds It has been stated in the Commissioner's letter that the average amount provided in the Budget for payment of Provident Fund Bonus every year is between Rs 8,000/- and 9000/-, but on the basis of a statement obtained from the Corporation authorities about the amounts of Bonus paid every year for the last ten years (vide Statement I enclosed), it is seen that the amount varies from Rs 2000/- to Rs 9000/- At my instance, the Auditor has also worked out the comparative cost of the two Schemes in Statement II and it is seen therefrom that the average cost of the Pension Scheme on the above-mentioned basis in respect of the employees in question will be about Rs 11,500/- in excess of the average cost of the Provident Fund Scheme to the Corporation

12 Also, an examination of a few individual cases shows that in very many cases the extra cost is very

pronounced A copy of a statement (Statement No III) showing the Provident Fund Amounts at the credit of a dozen employees (likely to retire in the next three years) at the time of retirement and the amount of pension values in accordance with Appendix L of the M S R (commutation of about 10 years' pension) is enclosed Column 6 in that statement shows the employee's, and therefore also the Corporation's share of the subscription and interest thereon at the time of retirement, and a comparison of the figures in this column with those in column 8 will speak for itself It is seen that the total pension liability in every single case out of those worked out is in excess of the Provident Fund liability and varies from over two times to about six times the latter

It is for consideration of Government therefore whether the Corporation may not be called upon to consider the matter in the light of the actual and probable financial implications Whether in the present financial position of the Corporation the additional commitment involved in the conversion need be assumed is also a matter to be corsidered The administrative reason furnished for the conversion is apparently the securing of a uniform procedure and identical conditions of service in regard to all the employees of the Corporation Such uniformity ~~xxxx xxxx~~ is no doubt desirable but need not be an end in itself As a matter of fact, there is no such uniformity even now, because about 100 former employees of the erstwhile Municipal Commission are still in receipt of pensions, to the extent of Rs 2500/- per month in the aggregate, direct from Corporation Funds, while all the retired employees of the former City Municipality are in receipt of pension on Government account in ~~the~~ first instance, the Corporation being debited periodically with the actual amount of pension

pension paid to those employees Also, as is evident from para 4 of the Commissioner's letter, some sizeable number of teachers of Primary Schools is proposed to be excluded from the proposed conversion scheme, though for ~~what~~ reason it is not clear in the present correspondence

The analogy of the Electrical Department, which is being referred to in the Commissioner's letter, does not seem to hold good in entirety as the contribution that was payable by Government in the case of the employees of that Department was 1/12th and not 1/16th as in the present case

16 One or two more points require mention It has been stated in the penultimate para of the Commissioner's letter that the amount of Provident Fund at the credit of each employee admitted into the Pension Scheme will be returned to him at the time of retirement This is no doubt feasible but it is to be presumed that interest accrued on the employee's contribution will also be paid to him, though this has not been specifically mentioned by the Commissioner

17) Regarding the point raised in para 3 of the Secretariat Notes above, it is ascertained from the Auditor that the sum of Rs 1,38,598-7-2 represents only the employees' ~~share~~ portion of the Fund, together with interest so far accrued It is also stated that the contributions to the Fund are being dealt with outside the Corporation accounts and are invested separately

No. Rev
Date 13/8

Secretary to Govt ,)
L S G Department)

CONTROLLER, 13-8-57
STATE ACCOUNTS DEPARTMENT
11/8

676/mb/1955-

Introduction of pension Systems uniformly in the Corporation

1) Draft letter to the Controller, State Accounts Dept is put up for approval.

Orae 17/8/57

2) Enclosures Nine Received Above letter not issued

Orae 20/8/57

3) Draft letter to the Controller, Corporations Communicating the views of the Controller, State Accounts Dept for Consideration of the proposals forwarded in this U.O. and to put up for approval or other orders

Orae 21/8/57 Secretary L S G

4) 23/8/57

5) Issued Rly 26/8 23/8

6) The Commissioner Corporation Thiruvananthapuram

L 5819/D 3085, Calls for its further views

Issued 28/8

1955/md 5/9461/md

Introduction of pension Scheme compulsorily in the Corporation 9

From

The Commissioner, Corporation of Bln

No B1/80149 Dated 8-3-1953.

Forwards a report of the Cost Actuary detailing the financial implications of the proposal

23) The enclosed note of the Government Actuary on which he worked out the financial implications of the proposal is for perusal

24) He has worked out the capitalised Value on the pension and provident fund in respect of those 231 permt staff employees who are not on provident fund Scheme but are absorbed in the Corporation Services

25) According to his calculations the difference in the Capitalised Value between the Cost Scheme is Rs 5,24,223/. The Capitalised value of the extra Cost does not need to be provided immediately, as the pensioners will be few in the beginning and their number will gradually increase until the time of their retirement to

9461/mb

Introduction of pension Scheme compulsorily in the Corporation

several years

2C) Based on the number in the different age groups of micro employees as set out in para 1 of this note, the actual value of extra cost as one annuity Spread over 30 years will be Rs 28,503/ p.a or Rs 2375/. p.m and if Spread over 40 yrs the annual equivalent will be Rs 24,548/. or Rs 2047/ per month. ~~The extra cost involved is thus actually much less than that of the average cost borne out by the Contributory Scheme~~

In the opinion of the actuary the extra Charge imposed on account of the grant of benefits under the pension Scheme which is on the Region Executive Rs 2,000/- and Rs 2,500/ p.m is not heavy.

27) All the employees of the Ratlam City municipality, Sheopur employees (out) of the civil side municipality and all new contracts after the formation of the Corporation Cover under the pension Scheme of the Scheduled Castes there are more than 1,100 employees working in the Corporation of whom 231 only Cover under Provident fund Scheme It would however be an apparent anamoly that when a major-

Introduction of pension Scheme uniformly in the corporation

---

in the State office Cadre under pension a small section of 231 Khadi can made an exception. Any uniform treatment in this behalf may be necessary and desirable

28) In the Comprehensive proposals for the amendment of the Corporation Act which has been separately submitted to the Law Secretary, it has been proposed to apply the M.S.R to the Corporation officials also and to provide for interchange of officials between the Corporation and the city and Town Municipalities, and between the Corporation and the Department of Govt the introduction of the pension Scheme uniformly in respect of all the officials in the Corporation as in the Dept of Govt and the other Municipalities, will pave the way for such a Reform and will also remove the difficulties in giving effect to such inter-transfers. INS 12.7.99

29) The Corporation has agreed to the Contribution from provident fund Scheme to pension Scheme in respect of these officials and the Cost is to

12 9461/ml

In Grade Con of pension Scheme corresponding and the Corporation

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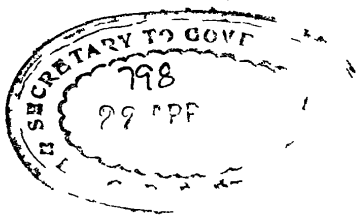
See next cost of Corporation Funds

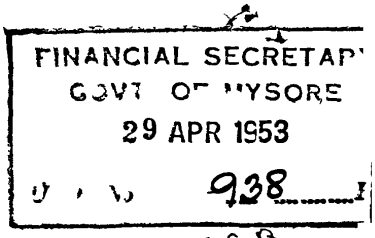
30) The proposal as for orders - The Finance Dept may have also to see Council Cord

Copy 9/4/53 - 31) The opinion of the Financial Secretary 16/4 is necessary

Secy Dept 19/4



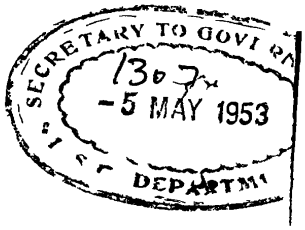
32) The proposal of the Corporation is sound and will be of lasting benefit to its employees and may be approved



MS N S B 29/4/53

Memo 28/4 28/4 Thro Jt Secy

33) The pensions rules are now superseded by revised pension rules except in the case of certain classes of officers If the scheme has to be introduced, it is only revised rules which may have to be made applicable I would like to have the opinion of the Actuary with reference to revised Pension Rules



4/5/53 Addn M copy 5/5

Issue 8/5

Introduction of pension Bye laws and forwarding of the Corporation

General and Revenue Secretariat

13 [App F 111 2

File No 9461/mil of 19 53-52 V4163/mil

WD 02201—GPB—10 000—7 1 53

Serial No	
	34) Draft letter to the Commissioner, B'lore Corporation be put up for approval.
	Un 6/5/53
	Sgn 6/5
	To
	The Commissioner, B'lore Corpn:
	No A 1863/C & 97-53-2 Dt 12.5.53
	calls for further information
Desp A-15/5/53	
	From
	The Comm'r C C B
	No B.1/53-54 dated 25.4.53
	forwarding the information called for
	35) The Commissioner has forwarded the Report of the Actuary about the financial implication of the proposal under Reference to the revised pension Rules ~~Bye laws Corpn Comm'r~~ which is flagged "S" and is for perusal
S	
	36) In para 4 of the Report the present value of the benefit of pensions is worked out to be Rs 21,35,269/-. From this deduction is made in para 5 of the P F account - past and present

NOTE—Contn Sheet

Introduction of pension Rules etc on the Corporation
coming formerly

File No 14 4163/ml of 1953-54 | General and Revenue Secretariat

Serial No

each of worked out at Rs 2,99,355/-
the Capitalised recorded to the Corporation
by the Corporation is shown as
Rs 5,35 914/-. Spread out as an
annuity for 30 yrs the annual
equivalent of which to come
to Rs 25,095/- as against
Rs 28 563/ under the old pension
Rules ~~in para 7 of the Report~~
37) in para 7 of the Report it
is stated that the actual Cost
to the Municipality is not Rs 5,35, 914/-
~~and~~ the present value of the Municipality's
provident Fund Contributions amounting
to Rs 2 99, 355/ or ~~about same~~
~~para of the Report~~ is ~~to be~~
deducted ~~from the gross~~ and the
arrived at
net Capital Cost is Rs 12,862/- per
annum ~~The deductions are to be~~
~~done to have been made by~~
~~of the Government by the retiring~~
~~staff may not reflect the Corporation~~
~~position~~
38) Submitted for orders — Ref paras 33 & 34 above

13/10/53

39) This may be submitted to the Secy - para 33 supra

13/10/53

Asst Secy

40) Agreed

Finance

41) may be delivered by the Budget

Asst Secy

42)

15/10/53

15/10/53

4560
19 OCT 1953

introduction of [redacted] System in
4183/ml " the [redacted] Corporation. Enclosing ; ck 560
15/B

43) The proposal in para 32 may be approved since the majority is already under pension scheme

Secy) 29/10

44) The proposal of the Commission may go through and the benefits of the Revised Pension rules extended to all the employees of the ex-Municipal Commission. Civil Station

Secy) 20/10

45) as May be approved

Chief Secy) 21/X
44) Appd.
1-12-53 1
28/10/53

29/X

29/10

OFFICE OF THE MINISTER FOR PUBLIC HEALTH & LOCAL SELF GOVERNMENT
22 OCT 1953
No 3505

SECRETARIAT
29 OCT 1953
L.S.G. DEPARTMENT

5305/B
12 NOV 1953

47) 4/11/53

48) for favour of perusal before

12/11

Asst Secy Budget
49) Seen and returned
9/11/53

GENERAL & REVENUE SECRETARIAT
-3 NOV 1953

Asst Secy
Mr for 50) 13/11

Secy

Lb 4163/41.
Introduction of pension system in the Corporation uniformly

Signed Copies are put up & financial Commencation

Dm 16/XI

8m 16/11/53

rl Comm — 4032

17/11

17/11

Ch

17/11/53

Issd 17/11

To. The Comm" B'ore corpr"
" Accountant general
" controller, S & D,
" Auditor, B'ore corpr"
" L 10251-4/41 16/17 11 53

Secretariat

B 23 11 53

8m 24/11

CORPORATION OF THE CITY OF BANGALORE

No B1\57
Encl: TWO

CORPORATION OFFICES,
BANGALORE

Dated 25th April 1951.

GENERAL & REVENUE SECRETARIAT BRANCH
676
1 MAY 1951

FROM

MIR SAFDAR HUSSAIN, B.A.,
COMMISSIONER, BANGALORE CORPORATION,
BANGALORE

No Mis 2714
Dt. 30/4

To

The Secretary to the Government of Mysore,
Local Self Government Department,
BANGALORE

SIR, SUBJECT - ABOLITION OF THE PROVIDENT FUND SYSTEM IN LIEU OF PENSION IN RESPECT OF EMPLOYEES OF THE ERSTWHILE CIVIL STATION MUNICIPALITY, BANGALORE

I enclose herewith a copy of Corporation Resolution No 14, dated 12th February 1951 approving the recommendation of the Standing Committee (Taxation & Finance) dated 2nd December 1950 that Provident Fund be abolished in lieu of pension, as a majority of the employees of the Corporation is under pension system and it is desirable to convert the employees under Provident Fund system also into pension system

In the erst-while City Municipality all the employees come under pension system whereas in the erstwhile Civil Station Municipality some are under pension system and some under Provident Fund system as explained below -

EMPLOYEES UNDER PENSION SYSTEM Under Section 21 of the Bangalore Municipal Law, all Officers and servants of the Commission entertained in permanent employment before the creation of the Provident Fund are entitled to Pension and gratuties in accordance with rules The rules adopted were the Civil Service Regulations up to 30th November 1948 and the Mysore Service Regulations after 1st December 1948 There are at present 11 employees coming under Pension System excluding 11 teachers of primary schools taken over by Government on 8th December 1949 The total number of Pensioners now drawing monthly pension is 100 and the expenditure on this account is about Rs 2,500/- per mensem

P T O

EMPLOYEES UNDER PROVIDENT FUND SYSTEM The Provident Fund sy was introduced with effect from 1st July 1924 As per rule 4 of the Provident Fund Rules, subscriptions to the Fund shall be compulsory on all Officers and servants of the Commission drawing a salary of not less than Rs 20/- per mensem There are at present 249 such employees excluding 65 teachers of Primary schools taken over by Government on 8th December 1949 and whose cases are proposed to be submitted to Government separately

The subscriptions are deducted ~~montly~~ monthly from the Fstablishment pay bills and the amounts so deducted are credited to the savings Bank account of the Imperial Bank of India, Bangalore Whenever funds get accumulated in this account, they are invested in Government securities The total investment so far made is Rs 13,4,250/- excluding Rs 4,348-7-2 in the Savings Bank Account vide statement enclosed These securities mature at different periods

Under Rule 18 (b) of the Provident Fund Rules, each subscriber at the time of his retirement is paid the contribution at his credit with interest thereon together with an equal amount as Bonus by the Corporation The average expenditure under Bonus per annum is between Rs 8,000/- and Rs 9,000/- for which provision is usually made in the budget every year

As a majority of the employees of the Corporation are under pension system and as it is necessary that the conditions of service regarding Pension should be alike, I request that the Government may be pleased to accord sanction extending the benefits of Pension to all those employees who were hitherto contributing to Provident Fund and to refund to them their subscriptions at the time of retirement, the subscription so far contributed by them being treated as optional Provident Fund The Pension benefit may be given to the employees who retired on and after 12th February 1951, the date of Corporation resolution

In this connection it is pointed out that in the Electrical Department where there was such a system in vogue, all the employees who retired from service after 1st September 1946 were given the benefits of pension and the partys' contributions with interest was returned to them

FORWARDED WITH COMPLIMENTS

R Anantaraman

MAYOR

Yours faithfully,

COMMISSIONER.

VVR 25/4/-

3

RESOLUTION PASSED AT THE MEETING OF THE CORPORATION HELD ON 12TH FEBRUARY 1951.

---

14 Deferred urgent subject No.10 dated 30th December 1950- Recommendation of the Standing Committee (Taxation and Financ dated 2nd December 1950, that Provdient Fund be abolished in lieu of Pension as per Office note dated 13th November 1950

Sri H S Seetharam moved the following resolution -

"Resolved that the recommendation of the Standing Committee (Taxation & Finance) dated 2nd December 1950, that Provident Fund be abolished in lieu of Pension as per Office note dated the 13th November 1950, be approved "

Sri C Rajagopalachar seconded the resolution and it was passed unanimously

Sd/- R Anantharaman,

MAYOR .

" C O P Y "

N Seetharam
FOR COMMISSIONER,
CORPORATION OF BANGALORE

VKR
25/4/51

TOTAL

EMPLOYEES UNDER PROVIDENT FUND SYSTEM The Provident Fund system was introduced with effect from 1st July 1924 As per rule 4 of the Provident Fund Rules, subscriptions to the Fund shall be compulsory on all Officers and servants of the Commission drawing a salary of not less than Rs 20/- per mensem There are at present 249 such employees excluding 65 teachers of Primary schools taken over by Government on 8th December 1949 and whose cases are proposed to be submitted to Government separately

The subscriptions are deducted ~~monthly~~ monthly from the Establishment pay bills and the amounts so deducted are credited to the savings Bank account of the Imperial Bank of India, Bangalore Whenever funds get accumulated in this account, they are invested in Government securities The total investment so far made is Rs 13,4,250/- excluding Rs 4,348-7-2 in the Savings Bank Account vide statement enclosed These securities mature at different periods

Under Rule 18 (b) of the Provident Fund Rules, each subscriber at the time of his retirement is paid the contribution at his credit with interest thereon together with an equal amount as Bonus by the Corporation The average expenditure under Bonus per annum is between Rs 8,000/- and Rs 9,000/- for which provision is usually made in the budget every year

As a majority of the employees of the Corporation are under pension system and as it is necessary that the conditions of service regarding Pension should be alike, I request that the Government may be pleased to accord sanction extending the benefits of Pension to all those employees who were hitherto contributing to Provident Fund and to refund to them their subscriptions at the time of retirement, the subscription so far contributed by them being treated as optional Provident Fund The Pension benefit may be given to the employees who retired on and after 12th February 1951, the date of Corporation resolution

In this connection it is pointed out that in the Electrical Department where there was such a system in vogue, all the employees who retired from service after 1st September 1946 were given the benefits of pension and the partys' contributions with interest was returned to them

FORWARDED WITH COMPLIMENTS

R Anantaraman

MAYOR

Yours faithfully,

COMMISSIONER.

VKR 25/4/-

SOLUTION PASSED AT ING OF THE CORPORATION HELD ON
12TH FEBRUARY 1951.

---

14. Deferred urgent subject No.10 dated 30th December 1950- Recommendation of the Standing Committee (Taxation and Finance) dated 2nd December 1950, that Provdient Fund be abolished in lieu of Pension as per Office note dated 13th November 1950

Sri H S Seetharam moved the following resolution -

"Resolved that the recommendation of the Standing Committee (Taxation & Finance) dated 2nd December 1950, that Provident Fund be abolished in lieu of Pension as per Office note dated the 13th November 1950, be approved "

Sri C Rajagopalachar seconded the resolution and it was passed unanimously

Sd/- R Anantharaman,

MAYOR

" C O P Y "

FOR COMMISSIONER,
CORPORATION OF BANGALORE

VKR
24/4/51

4

STATEMENT SHOWING THE PROVIDENT FUND AMOUNT AT THE CREDIT OF THE MUNICIPAL EMPLOYEES

INVESTMENT		VALUE		
		Rs	As	Ps
4½%	1955- 60	4,000	- 0-	0
4½%	1960- 70	3,500	- 0-	0
3%	1951- 54	6,000	- 0-	0
3%	1953- Madras Stock	5,000	- 0-	0
3%	1957- Victory	9,000	- 0-	0
3%	1959- 61 (2nd Victory)	7,000	- 0-	0
3%	1953 - 55	26,000	- 0-	0
National Savings Certificate		39,000	- 0-	0
Mysore Government Savings certificates		8,687-	8-	0
Mysore Government Savings Certificates		26,062-	8-	0
TOTAL		Rs 1,34,250-	0-	0

N Sidaale
FOR COMMISSIONER,
CORPORATION OF BANGALORE
25/4/51

VKR
25/4/-

S. O.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

ELECTRICAL DEPARTMENT

G O No E D S 1724 27 dated 14th February 1941

Pension

Sanctions the grant of —— to the employees on the regular establishment of the Electrical Department who joined service prior to the 18th September 1913

READ—

Government Order No 841 4—4133 6 dated the 1st August 1903 sanctioning the rules for regulating the pay travelling allowance leave etc of the maintenance staff of the Cauvery Power Scheme

2 Government Order No P W 1171 4—5950 dated the 2nd November 1903 sanctioning a bonus of one month s pay for each year s approved service for the abovementioned maintenance staff who entered service during the early years of the scheme the rate of pay for calculation of bonus being at the rate drawn for the month in which service terminated

3 Government Order No E D S 3992 96 dated the 6th May 1926 passing orders regulating the bonus and provident fund for the regular establishment of the Electrical Department

4 Government Order No E D S 41 44 dated the 13th July 1927 approving the rules for the bonus and provident fund scheme sanctioned in the Government Order of the 6th May 1926 read above

5 Correspondence ending with Government Order No E D S 767 769 dated the 26th October 1937 issuing a note to Rules 6 and 7 of the abovementioned rules read in para 5 increasing the Government as well as the member s contribution to the bonus and provident fund in question from one sixteenth to one twelfth of the pay every month

6 Correspondence ending with D O letter No 222 dated the 26th September 1940 from the Chief Electrical Engineer in Mysore addressed to the Financial Secretary to Government recommending the grant of pension to the regular employees of the Electrical Department and to put them on a level with tho e in the other pensionable services of Government

ORDER No E D S 1724 27, DATED BANGALORE, THE 14TH FEBRUARY 1941

The question of introducing the pension system or liberalising the present provident fund and bonus systems in the case of the regular establishment of the Electrical Department has been under the consideration of Government for some time past Prior to 1st July 1926, the staff of the Electrical Department were not allowed pension, provident fund or bonus benefits except in the case of a few officers who were granted bonus under the old bonus rules of 1903 From 1st July 1926, a scheme of provident fund was sanctioned on the following basis for the regular establishment of the Electrical Department —

(*a*) For the service rendered prior to 1st July 1926, half a month s pay for each year of service based on the pay drawn in the month of June of each year, to be paid at the time of retirement, without interest

(*b*) For the service rendered subsequent to 1st July 1926 a contribution of one anna in the rupee or one sixteenth of the pay to be deducted from the pay of each official or officer, an equivalent sum being contributed by Government, both bearing interest at the usual rate

(*c*) As a further concession the rate of contribution both by the staff and the Government was increased from one sixteenth to one twelfth of the pay from 1st July 1937 as in the case of the Railway Department,

No E D S 1724 27, DATED 14TH FEBRUARY 1941

2 In September 1938, the Chief Electrical Engineer recommended that the employees of the Electrical Department might be allowed the benefits of pension in lieu of provident fund bonus The question was examined in all its aspects and alternative schemes were suggested to the Chief Electrical Engineer as shown hereunder

Scheme No I —Continuance of the present provident fund scheme with modi fications as indicated below —

(*a*) To allow, in addition to the provident fund bonus, gratuity on the scale obtaining in the Railway Department (half a month s pay for each year of service) to all employees in the regular establishment, for the whole service

(*b*) In the case of officers who entered service before 1st July 1926, to permit the calculation of bonus for service rendered prior to 1st July 1926 on the pay drawn for the month of June 1926 instead of on the pay drawn in the month of June of each year as per existing rules

(*c*) To provide for the investment of the whole or a portion of the employee's contribution to the provident fund in obtaining a life insurance policy maturing at the age of 55 at the option of the employee

(*d*) Payment of the employee's contribution in one lump at the time of his retirement and the Government contribution and gratuity (with interest) to be paid in monthly or annual instalments over a period of not less than ten years

Scheme No II —Introduction of a pension scheme in lieu of the provident fund scheme, the scale of pension being at two thirds of the scale provided in the Mysore Service Regulations for the pensionable employees in other departments

3 The Chief Electrical Engineer was requested to ascertain the views of the majority of the officers and officials of the Electrical Department regarding the scheme they would prefer After ascertaining the views of the majority of the staff, he has again urged that full pension as provided for in the Mysore Service Regula tions might be granted to the employees of the Electrical Department

4 After a careful consideration of the matter, Government direct that the officers and staff of the Electrical Department in the regular establishment who joined service before the 18th September 1913, when the department became a separate administrative branch, be allowed pension according to the scale laid down in the Mysore Service Regulations, since, during this period, both the Public Works and the Electrical Departments were regarded as different branches of the same organisation and the staff of the Public Works Branch have been allowed pension benefits

5 The question of allowing pension benefits to the staff entertained after the 18th September 1913 is reserved for separate examination

M G MEHKRI,
Secretary to Government,
Electrical Department

To— The Chief Electrical Engineer to the Government of Mysore
The Financial Secretary to Government
The Comptroller to Government through the Financial Secretariat
The Auditor Electrical Department

Exd —C K

WD 1623 —GPB—400—12 3-41

S. O.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

ELECTRICAL DEPARTMENT

G O No E D S 425 428 dated 15th August 1941

Benefits of Pension etc

Sanctions, subject to certain conditions, the extension of the —— to the employees of the regular establishment of the Electrical Department who entered service prior to 1st July 1919 and are still in service and who retired on or after 1st January 1935, and directs further that as regards entrants to service on and after 1st July 1919, in the regular establishment, they may be granted in addition to the provident fund, gratuity on the scale obtaining in the Railway Department

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READ—

Government Order No E D S 1724 27 dated the 14th February 1941 sanctioning the grant of pension to the employees borne on the regular establishment of the Electrical Department who joined service prior to 18th September 1913

2 The Chief Electrical Engineer's letter No 18749 dated the 3rd—11th March 1941 stating that the Electrical Branch of the Public Works Department continued as such until 1st July 1919 and that it was constituted as an independent department from that date under Government Order No C P S 542 6 11E dated the 24th June 1919 and requesting that the benefits of pension be granted to all the officials of the Electrical Department who entered service before 1 t July 1919

3 Correspondence ending with letter No C 496 dated the 13th June 1941 from the Chief Electrical Engineer furnishing statements showing the name etc of officers who entered service prior to 1st July 1919 and those who have retired after 1st January 1938 (inclusive)

ORDER No E D S 425 428, DATED BANGALORE, THE 15TH AUGUST 1941

In Government Order No E D S 1724 27, dated the 14th February 1941, read above, Government sanctioned pension benefits to the employees of the regular establishment of the Electrical Department who had entered service prior to 18th September 1913, as up to that period, the Electrical Department was a branch of the Public Works Department where the employees are allowed benefits of pension The Chief Electrical Engineer has since reported in his letter, dated the 3rd—4th March 1941, read in para 2 above, that the Electrical Branch of the Public Works Department continued as such until 1st July 1919, when in Government Order No C P S 542 6, dated the 24th June 1919, it was constituted as an independent department and that the Government Order No C P S 512 5, dated the 18th September 1919, only defined the powers of the Chief Electrical Engineer as head of the Electrical Branch of the Public Works Department and made no mention of the separation of the Electrical Department from the Public Works Department He has therefore recommended that if the separation of the Electrical Branch from the Public Works Department is to be made the dividing date between those who are and those who are not to receive pension, 1st July 1919 would be more appropriate to adopt than 13th September 1913

2 The Chief Electrical Engineer has further recommended, in this connection, that as many of the employees who come under the new pension rules have already retired, the benefit of pension may be allowed to those who retired on or after 1st January 1935

No E D S 1724 27, DATED 14TH FEBRUARY 1941

2 In September 1938, the Chief Electrical Engineer recommended that the employees of the Electrical Department might be allowed the benefits of pension in lieu of provident fund bonus The question was examined in all its aspects and alternative schemes were suggested to the Chief Electrical Engineer as shown hereunder

Scheme No I —Continuance of the present provident fund scheme with modi fications as indicated below —

(*a*) To allow, in addition to the provident fund bonus, gratuity on the scale obtaining in the Railway Department (half a month s pay for each year of service) to all employees in the regular establishment, for the whole service

(*b*) In the case of officers who entered service before 1st July 1926, to permit the calculation of bonus for service rendered prior to 1st July 1926 on the pay drawn for the month of June 1926 instead of on the pay drawn in the month of June of each year as per existing rules

(*c*) To provide for the investment of the whole or a portion of the employee's contribution to the provident fund in obtaining a life insurance policy maturing at the age of 55 at the option of the employee

(*d*) Payment of the employee's contribution in one lump at the time of his retirement and the Government contribution and gratuity (with interest) to be paid in monthly or annual instalments over a period of not less than ten years

Scheme No II —Introduction of a pension scheme in lieu of the provident fund scheme, the scale of pension being at two thirds of the scale provided in the Mysore Service Regulations for the pensionable employees in other departments

3 The Chief Electrical Engineer was requested to ascertain the views of the majority of the officers and officials of the Electrical Department regarding the scheme they would prefer After ascertaining the views of the majority of the staff, he has again urged that full pension as provided for in the Mysore Service Regula tions might be granted to the employees of the Electrical Department

4 After a careful consideration of the matter, Government direct that the officers and staff of the Electrical Department in the regular establishment who joined service before the 18th September 1913, when the department became a separate administrative branch, be allowed pension according to the scale laid down in the Mysore Service Regulations, since, during this period, both the Public Works and the Electrical Departments were regarded as different branches of the same organisation and the staff of the Public Works Branch have been allowed pension benefits

5 The question of allowing pension benefits to the staff entertained after the 18th September 1913 is reserved for separate examination

M G MEHKRI,
Secretary to Government,
Electrical Department

To— The Chief Electrical Engineer to the Government of Mysore
The Financial Secretary to Government
The Comptroller to Government through the Financial Secretariat
The Auditor Electrical Department

Lxd —C K

WD 1623 —GPB—400—12 8-41

S. O.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

ELECTRICAL DEPARTMENT

G O No E D S 425 428 dated 15th August 1941

Benefits of Pension etc

Sanctions, subject to certain conditions, the extension of the —— to the employees of the regular establishment of the Electrical Department who entered service prior to 1st July 1919 and are still in service and who retired on or after 1st January 1935, and directs further that as regards entrants to service on and after 1st July 1919, in the regular establishment, they may be granted in addition to the provident fund, gratuity on the scale obtaining in the Railway Department

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READ—

Government Order No F D S 1724 27 dated the 14th February 1941 sanctioning the grant of pension to the employees borne on the regular establishment of the Electrical Department who joined service prior to 18th September 1913

2 The Chief Electrical Engineer's letter No 18749 dated the 3rd—11th March 1941 stating that the Electrical Branch of the Public Works Department continued as such until 1st July 1919 and that it was constituted as an independent department from that date under Government Order No C P S 542 6 11E dated the 24th June 1919 and requesting that the benefits of pension be granted to all the officials of the Electrical Department who entered service before 1 t July 1919

3 Correspondence ending with letter No C 1496 dated the 13th June 1941 from the Chief Electrical Engineer furnishing statements showing the name etc of officers who entered service prior to 1st July 1919 and those who have retired after 1st January 1938 (inclusive)

ORDER No E D S 425 428, DATED BANGALORE, THE 15TH AUGUST 1941

In Government Order No E D S 1724 27, dated the 14th February 1941, read above, Government sanctioned pension benefits to the employees of the regular establishment of the Electrical Department who had entered service prior to 18th September 1913, as up to that period, the Electrical Department was a branch of the Public Works Department where the employees are allowed benefits of pension The Chief Electrical Engineer has since reported in his letter, dated the 3rd—4th March 1941, read in para 2 above, that the Electrical Branch of the Public Works Department continued as such until 1st July 1919, when in Government Order No C P S 542 6, dated the 24th June 1919, it was constituted as an independent department and that the Government Order No C P S 542 5, dated the 18th September 1919, only defined the powers of the Chief Electrical Engineer as head of the Electrical Branch of the Public Works Department and made no mention of the separation of the Electrical Department from the Public Works Department He has therefore recommended that if the separation of the Electrical Branch from the Public Works Department is to be made the dividing date between those who are and those who are not to receive pension, 1st July 1919 would be more appropriate to adopt than 13th September 1913

2 The Chief Electrical Engineer has further recommended, in this connection, that as many of the employees who come under the new pension rules have already retired, the benefit of pension may be allowed to those who retired on or after 1st January 1935

No E D S 425 428, DATED 15TH AUGUST 1941

3 After a careful consideration of the matter, Government direct that (i) the benefits of pension sanctioned in Government Order No E D S 1724 27, dated the 14th February 1941, be extended to the employees of the regular establishment of the Electrical Department who entered service prior to 1st July 1919 and who are still in service, (ii) as regards those who have already retired, Government direct that such of the employees as were entertained in service prior to 1st July 1919 and retired on or after 1st January 1938, may be allowed to come under the pension rules and pension granted to them from the date of retirement, provided

(1) they have not drawn their bonus or provident fund,

(2) they have drawn only their contribution to the provident fund,

(3) they have drawn their bonus or provident fund under protest and are agreeable to refund the bonus or Government contribution

4 As regards entrants to service on and after 1st July 1919, in the regular establishment, Government direct that they may be granted, in addition to the provident fund, gratuity on the scale obtaining in the Railway Department and subject to the conditions applicable thereto

5 The Chief Electrical Engineer is requested to intimate the officers concerned who come under the above pension rules and who have already retired and take very early steps for disposing of their pension applications without delay

M G MEHKRI,
Secretary to Government,
Electrical Department

To—The Chief Electrical Engineer in Mysore
The Financial Secretary to Government
The Comptroller of Mysore through the Financial Secretary with file and 2 spare copies
The Auditor Electrical Department

Rad—C K

WD 730—GPB—410—18 9 41

S.O.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

ELECTRICAL DEPARTMENT

G O No E D S 34 36—Elecl 108 47 23, dated 3rd July 1948

Pension Benefits

Directs that as a special case and without its creating a precedent, t retired employees be given —— from 1st June 1948, subject to certain conditior

READ—

Government Order No E D S 1724 27 dated the 14th February 1941 sanctioning pensi benefits to the employees of the regular establishment of the Electrical Department who enter service prior to 1913

2 Government Order No E D S 425 28 dated the 15th August 1941 directing (i) that t benefits of pension sanctioned in the Government Order dated 14th February 1941 read in para above be extended to the employees of the regular establishment of the Electrical Department w entered service prior to 1st July 1919 and who were still in service (ii) that as regards those who have already retired such of the employees as were entertained in service prior to 1st July 1919 and retired on or after 1st January 1938 be allowed to come under the pension rules and pension granted to them from the date of retirement provided (*a*) they had not drawn their bonus or provident fund (*b*) they had drawn only their contribution to the provident fund and (*c*) they had drawn their bonus or provident fund under protest and were agreeable to refund the bonus or Government contribution and (iii) that as regards entrants to service on and after 1st July 1919 in regular establishment they be granted in addition to the provident fund gratuity on the scale obtaining in the Railway Depart ment subject to the conditions applicable thereto

3 Government Order No E D S 183 5 dated the 17th—19th July 1943 directing that the eight officers noted therein be admitted to the benefits of pension under Government Order No E D S 425 28 dated 15th August 1941

4 Government Order No E D S 835 7 dated the 11th September 1944 sanctioning pension to all those who joined service under the Work Establishment prior to 1st July 1919 and were subse quently got absorbed in the Regular Establishment but taking only their service in the Regular Establishment for calculation of pension

5 Government Order No E D S 898 901—Elecl 320 45 2 dated the 9th October 1946 sanctioning pension benefits to all employees of the Electrical Department (inclusive of Maintenance Establishment) who retired on and after 1st September 1946 and directing that this order need not have retrospective effect

6 Correspondence ending with letter No 29398 dated the 13th March 1948 from the Chief Electrical Engineer requesting sanction of Government to—

(*a*) extend pension benefits to all those who retired from service prior to 1st September 1946

and

(*b*) permit the counting of the service in the maintenance establishment for pension

the total extra cost on account of the accumulated pension for such persons coming under item (*a*) above after deducting the Government share of Electrical Department Provident Fund already paid to them being about Rs 65 000 and the monthly recurring charges being about Rs 1 700 and the extra cost on account (*b*) being about R 6 100 up to 1st January 1948 with a monthly recurring expenditure of Rs 125

ORDER No E D S 34 36—ELECL 108 47 23, DATED BANGALORE, THE 3RD JULY 1948

The Chief Electrical Engineer has reported that while the order of 9th October 1946 has conferred a great boon by way of pension benefits on the staff who retired after 1st September 1946 it does not propose to consider the case of the employees who retired prior to 1st September 1946, that this provision has affected the cases of some who retired prior to this order, and that on examination it is found that the employees who have not been granted this benefit are a few members of the Regular Establishment and mostly of the Maintenance Establish ment who retired prior to 1st September 1946 Such men are estimated by the

No E D S 34 36—ELECL 108 47 23, DATED 3RD JULY 1948

Chief Electrical Engineer to be approximately about 120 with average emoluments of less than Rs 35 per month He has also brought to the notice of Government that these men are the pioneer workers of the Department as their early retirement indicates and that it is they who deserve the sympathetic consideration of the Government in their old age, having served all their life sincerely and whole heartedly for the satisfactory and smooth working of the Department He requests, therefore, sanction to extend the pension benefits to all those who retired from service prior to 1st September 1946 and to permit the counting of the service in the maintenance establishment for purposes of pension

2 After a careful consideration of the question, Government are pleased to direct that, as a special case, and without its creating a precedent, in view of the fact that the workers were pioneers in the Electrical Department, these retired employees be given pension from 1st June 1948, provided that on the basis of a balance being struck between the provident fund paid with interest thereon and the pension which may have been earned from the date of retirement, such balance if favourable to Government is credited against the pension payable after 1st June 1948

H V VISVESVARAYYA,
Secretary to Government,
Electrical Department

To—The Chief Electrical Engineer in Mysore
The Comptroller to Government through the Financial Secretariat
The Auditor Electrical Department

Exd —T.N S

WD 720—GPB—495—10 11 48

Statement 7

Statement showing Provident Fund Bonus paid to the Employees during the years 1941-42 to 1950-51

Year	Actuals	Remarks
1941 - 42	2,168 0 0	
1942 - 43	3,356 0 0	
1943 - 44	5,122 0 0	
1944 - 45	7,683 0 0	
1945 - 46	9,434 0 0	
1946 - 47	7,409 0 0	
1947 - 48	7,489 0 0	
1948 - 49	9,636 0 0	
1949 - 50	8,784 0 0	
1950 - 51	5,526 9 0	

For Controller

7

STATEMENT No II

SCALES OF PAY OF THE EMPLOYEES WHO ARE PROPOSED TO BE BROUGHT UNDER THE PENSION SCHEME

No. of Posts		Scale of Pay	Average Cost	Total Average Cost
2		(750-50-1000	916-11- 0	1,833- 6- 0
1		(250-20-450	372- 4- 0	372- 4- 0
1		(180-10-300	250-10- 8	250-10- 8
3		(125-5-185 EB 200-10/2-250	190- 0- 0	570- 0- 0
2		(150-10-250	211- 1- 9	422- 3- 6
1		(100-8-140-10-200	160- 0- 0	160- 0- 0
12		(100-10-150	133- 5- 4	1,600- 0- 0
2		(75-5-150-10-200	137- 8- 0	275- 0- 0
5		(50-3-80-4-100	77-12- 5	388-14- 1
3		(50-5-100	80- 9- 0	241-11- 0
3		(80-4-120	104- 7- 0	313- 5- 0
6		(60- 4-100	84- 7- 1	506-10- 6
2	Non-	(40-2½-50-5-100	74- 0- 0	148- 0- 0
7	ministerial	(60-5-90 EB 6-150	109- 0- 0	763- 0- 0
23		(30-2-50	42- 3- 7	971- 2- 5
2		(30-2-40 EB 2-50	42- 3- 7	84- 7- 2
17		(25-1-40	33- 5- 4	566-10- 8
24		(30-1½-45-2-55	43-14- 0	1,053- 0- 0
15		(40-2-50 EB 3-80	62- 3- 7	933- 5- 9
19		(40-2-60	52- 3- 7	992- 4- 1
27		(35-2-55	47- 4- 0	1,275-12- 0
5		(45-3-90	70- 0- 0	350- 0- 0
1		(100-5-150	130- 8- 4	130- 8- 4
2		(65-5-100-10-150	112- 0- 0	224- 0- 0
3		(55-5-75 -80-10-110	89-13- 4	269- 8- 0
2		50-3 65 EB - 3 -80	68 - 5 - 4	136 - 10 - 8
1		(100-5-175	143-12- 0	143-12- 0
1		(40-2½-50-5-100	76- 0- 8	76- 0- 8
1		(80-5-125	110-12- 0	110-12- 0
1	ministerial	(110-8-150	140- 0- 0	140- 0- 0
14		(60-5-90 EB 6-150	111- 0- 0	1,554- 0- 0
12		(45-3-60-4-100	77- 1- 4	925- 0- 0
28		(40-2-50 EB -3-80	63- 5- 4	1,773- 5- 4
1		(25-1-30	28-12- 0	28-12- 0
249				19,583-15-10

6¼ per cent of Rs 19,584 = 1,224- 0- 0 x 12 = Rs 14,688- 0- 0

1/9th of Rs 19,584/- = Rs 2,176-0-0 x 12 = Rs 26,112-0-0

for CONTROLLER.

KNN 3

Statement showing the Provident Fund amounts at the credit of certain selected employees at the time of retirement and the amount of pension values as per Appendix L

Sl No	Name	Designation	Scale of pay	Date of Retirement	P F Subscription with interest at the time of retirement an equal sum of/which is to be contributed by the Corporaion	Rate of pension per month	Total amount of pension as per commutation values given in Appendix 'L'
1	Syts Ramachandra Naidu	Sanitary Inspector	80- 4-120	4- 9-51	2,713- 0-0	59-10-0	7,431-138
2	C S Krishna Iyer	Overseer	100-10-150	11- 6-51	2,167-13-0	56- 0-0	6,979 39
3	V S Chockalingam	[illegible]	[illegible]	11-12-51	529- 0-0	23- 0-0	2,864 53
4	B S Rajagopala Mudaliar	Overseer	100-10-150	15- 9-51	1,344- 0-0	73-15-0	9,214 25
5	Veeraswamy	Octroi Inspector	50- 3-60/ E B/3-80	15- 6-52	935- 0-0	24- 7-0	3,045 48
6	Sm D V Krishna Rao	Lady Doctor	150-10-250	27- 9-54	3,790- 0-0	75- 0-0	9,347 40
7	P Sreekantiah	Pl Supervisor	45- 3-90	25-11-52	1,001- 0-0	25- 8-0	3,178-11
8	Sm Ruth David	Nurse	35- 2-55	24- 8-53	723- 0-0	37-13-0	4,736 01
9	Rajiah	Sanitary Insptr	60- 4-100	22-10-53	856- 0-0	36- 1-0	4,486 75
10	S Nanjappa	Vaccinator	35- 2-55	15-11-53	416- 0-0	10- 8-0	1,308 13
11	P S Desikachari	Manager	150-10-200	4- 3-54	2,900- 0-0	77- 0-0	9,596 66
	Dr H R Goverdhan	Health Officer	200-50-1000	22-10-53	18,040- 0-0	383- 5-0	47,773 00

Controller
Accounts Department
BANGALORE

676/M1 upto 98. See

CORPORATION OF THE CITY OF BANGALORE

MA 1911.

No Bl 51

CORPORATION OFFICES,
BANGALORE

Dated 13th June *1951*

FROM

MIR SAFDAR HUSSAIN, Esq, B A,
COMMISSIONER, BANGALORE CORPORATION,

To

The Secretary to Government,
Local-Self Government Department,
BANGALORE.

SIR,

16/1

SUBJECT:- Abolition of Provident Fund System in lieu of pension in respect of employees of the erstwhile Civil Station Municipality.

I invite your kind attention to this office letter No. Bl.51 dated 26-4-1951 and request that the Government may be pleased to accord sanction extending the benefits of pension to all these employees who were hitherto contributing to Provident Fund

The matter may kindly be treated as urgent as the cases of those employees who have retired from service with effect from 12-2-1951, the date of Corporation's resolution according sanction to the pension system, are pending disposal.

Forwarded with compliments

MAYOR.

Yours faithfully,

COMMISSIONER.

Subba

By no 676/M1

The file of the employees has been referred to the Accountant to the Controller State Accounts Department for his opinion on 6-6-51 It is requested that the same may be communicated to this office at the earliest

26/6

G R S App F G 3]

GENERAL AND REVENUE SECRETARIAT

~~Continuation sheet draft form~~

No. L. 58/9/30 8 1957

To

The Commissioner
Corporation of the city
Of Bore
(Through the Mayor)

Subject: Abolition of provident fund Scheme in lieu of pension in respect of the employees of the erstwhile civil station Municipality.
Commission, Bore

—

Sir,

With Reference to your letter No. B.1/51 dated 25/26 4-51 on the above subject I am directed to state that the full financial implications of the proposed Conversion of the present provident Fund Scheme in respect of some

any employees of the erstwhile Municipal Commission, even though now forming part of the corporation still on a pension scheme do not appear to have been ~~sufficiently~~ examined at sufficient length. In the absence of relevant calculations it is no doubt difficult to arrive at the precise extra cost in each case and as a whole, but a basis for such a computation may be had on the fact that for a long time past Government have prescribed 1/9th of the Salary as the pensionary contribution of a Govt servant whose services are taken to local bodies. ~~Accordingly~~ Accordingly 1/9th of the Salary at any given time may be safely assumed ~~to represent the pensionary contribution~~ to be a fair index of the cost on account of pensions,

The present p F Scheme

G R & App F G 3]

GENERAL AND REVENUE SECRETARIAT

ntinuation sheet draft form)

Prima facie, therefore, the Conversion of the Provident fund Scheme into the Pension scheme would involve a heavier burden on the Corporation funds

and hence regard to the accounts of some past 10 years

may not we are and as likely Also it is seen from para 4 of your letter that some liveable number of teachers of primary schools is proposed to be excluded from the proposed scheme, which for what reason is not clear from the correspondence

The auditor of the Electrical Dept may not be quite appropriate as this case as the Contribution Asst was payable by the Govt in the case of the employees of Light Dept was 1/12th and not 1/16th as in the Corporation

Having regard to what has been stated above it appears to be assumed whether on the present financial position of the Corporation the additional Contribution required on the Conversion may not impose too much of a strain just at this juncture the Corporation may therefore be requested to kindly consider the matter in the light of the actual and probable financial implications of this proposal and to furnish it considered further views

(in the foregoing observations and the

Yours faithfully

23/8 21/8/51 26/8 L & C Secy

L 3819/30 S. 1951

The Commissioner,
Corporation of the City of Bangalore
(thro' the Mayor)

Subject Abolition of Provident Fund system in lieu of Pension in respect of the employees of the erstwhile Civil Station Municipal Commission, Bangalore

With reference to your letter No B1 51 dated 25/26th April 1951 on the above subject, I am directed to state that the full financial implimation of the proposed conversion of the present provident fund scheme in respect of some 249 employees of the erstwhile Municipal Commission, Civil Station, now forming part of the Corporation staff into a pension scheme do not appear to have been examined at sufficient length In the absence of actuarial calculations it is no doubt difficult to arrive at the precise extra cost in each case and as a whole, but a basis for such a computation may be had in the fact that for a long time past Government have prescribed one-nineth (1/9) of the salary as the pensionary contribution of a Government Servant whose services are lent to local bodies Accordingly one-nineth of the salary at any given time may be safely assumed to be a fair index of the cost on account of pensions

The present Provident Fund Scheme instituted in 1924 contemplates a contribution of one anna in every rupee of the salary by every employee and payment to him of the accumulated sum with interest accrued thereon at the time of his retirment after adding on a like sum as the corporations contribution

The present commitment of the Corporation is thus only one-sixteenth (1/16) of the salary from month to month while the pensionary liabilities would be in the region of one-nineth of the salary Prima facie, therefore, the conversion of the provident fund scheme into the pension scheme would involve a heavier burde

burden on the corporation funds Based on this calculation the average cost of the pension scheme in respect of the employees in question and having regard to the accounts of bonus paid in the previous years will be about Rs 11,500/- in excess of the average cost of the Provident Fund Scheme to the Corporation

The administrative reason for considering this conversion is apparently the securing of a uniform procedure and identical conditions of service in regard to all the employees of the Corporation Such uniformity though desirable may not be ~~one and~~ an end in itself Also it is seen from para 4 of your letter that some sizeable number of teachers of primary schools is proposed to be excluded from the proposed scheme, though for what reason is not clear from the correspondence

The anology of the Electrical Department may not be quite appropriate in this case as the contribution that was payable by the Government in the case of the employees of that Department was 1/12th and not 1/16th as in the Corporation.

Having regard to what has been stated above it requires to be examined whether in the present financial position of the Corporation the additional commitment involved in the conversion may not impose too much of a strain just at this juncture The Corporation may therefore be requested to kindly consider the matter in the light of the foregoing observations and the actual and probable financial implications of the proposal and to furnish its considered further views.

Yours faithfully,

29/8

For L S G Secretary to Government

knr-2/28 8 51

CM 97-53-1 16

CORPORATION OF THE CITY OF BANGALORE

No B/1/80819/52-53

CORPORATION OFFICES,
BANGALORE

Dated the 13th March 1953

FROM

K HENJERAPPA, ESQ, BA, BL,
COMMISSIONER,
CORPORATION OF THE CITY OF BANGALORE,
BANGALORE

To

The Secretary to the Government of Mysore,
Local Self-Government Department,
B A N G A L O R E

MAS

SIR,

Subject — Abolition of Provident Fund System in lieu of pension in respect of certain employees of the erstwhile Municipal Commission

---

Reference — Letter No L.5819, Dated 30 8 1951.

I enclose herewith a copy of report from the Actuary to the Government of Mysore explaining the financial implications in the matter of applying pension scheme to such of the employees of the erstwhile Civil Station Municipality who come under the Provident Fund System

The Actuary has worked out the capitalised extra cost to the Corporation in consequence of the grant of benefits under the Pension and Gratuity rules of the M S R and he states that if this is spread over as an annuity for 30 years, the annual equivalent will be Rs 28,503/- or Rs 2,375/- per mensem and if spread over 40 years, the annual equivalent will be Rs.24,548/- or Rs 2,047/- per mensem He also states that the extra financial strain imposed on account of the grant of benefits under the Pension Scheme is not heavy and that in practice, the charges will not emerge equally in every year They will be small in early years, will rise to a maximum and after a period, will dwindle

P. T O.

It may be pointed out in this connection, that all the employees of the erstwhile City Municipality, some old employees of the erstwhile Civil Station Municipality, and the new employees appointed after the formation of the Corporation, come under Pension scheme, That means, that in the Corporation where there are more than 1100 superior employees, there are only 231 officials who come under Provident Fund Scheme Further in Madras, Bombay and even minor Municipalities of Mysore, the prevailing Scheme in only pension and not Provident Fund It does not, therefore, seem reasonable that these few employees who come under the Provident Fund system should be denied the benefit of Pension system as there should be uniformity of procedure and identical conditions of service, the Corporation thought it reasonable that the Pension scheme should be applied to these employees also, in spite of a small extra cost involved It is the desire of the Corporation to adopt a uniform policy and to this end they have also resolved that all services of the Corporation employees be Municipalised

Although steps were taken by the office to obtain the information regarding extra cost involved from the Insurance Companies in and out of Bangalore, the efforts did not materialise successfully and this caused only some delay The Corporation Employees' Association thereupon arranged to get the figures from the Government Actuary

I request that in the circumstances stated above, the Government may be pleased to accord their sanction to the proposal as the financial commitment to the Corporation per mensem is negligable

Forwarded with compliments,

(P HANUMANTHIAH)
MAYOR

Yours faithfully,

Henjerappa 9/3

(K. HENJERAPPA)
COMMISSIONER.

9/3/53

B33

H.V.KRISHNAMURTHY, B.Sc.,F.I.A.,F.C.I.I., 25,10th Main Road,
ACTUARY. Malleswaram,
Bangalore-3,
Dated 18th February 1953.

To
The Hon.Secretary,
The Municipal Employee's Association
BANGALORE.

Dear Sir,

RE.- ESTIMATION OF PENSION LIABILITIES.

1. In accordance with your request regarding the estimation of the Pension Liabilities of the Ex-Civil Station employees as on 31st March 1950, I have calculated the capitalized value of the various components and give below the estimates.

2. The values were calculated in respect of 231 employees of both sexes as on 31-3-1950. The table below gives an analysis of these employees according to their nearest age and monthly pay on 31-3-1950.

Nearest ages.	No.of employees.	Pay per month.
Below 25	4	Rs.157/-.
25 to 29	25	1,351/-.
30 to 34	34	2,138/-.
35 to 39	55	3,483/8/-.
40 to 44	48	3,774/-.
45 to 49	35	2,532/-.
50 and above	30	3,417/-
Total	231	16,859/8/-.

The total yearly pay comes to Rs.2,02,314/-.

3. According to the existing scheme, the employees contribute to a Provident Fund an amount equal to 1/16th of their pay and the accumulated contributions with interest of the employee is returned to him or her on withdrawal either by way of resignation,retirement or death. An equal contibution is made by the Municipality. The total past contributions with interest on the date of valuation, (31-3-1950) amounted to Rs.1,46,843-3-9 or Rs.1,46,843 if annas and pies are neglected.

4. The main problem was to calculate the present value or the capitalized value of the various benefits allowed under the Pension and Gratuity Regulations of the Mysore Service Regulations as on 31-3-1950 and to compare the aggregate of the above with the sum of,

a) the accumulated Provident Fund contributions with interest on th valuation date, and

b) the capitalized value of the future Provident Fund contributio

The difference will represent the capitalized extra cost to the Municipality as a consequence of the grant of benefits under the Pension and Gratuity Rules of the M.S.R.

5. The following assumptions were made in making the calculations.

It was assumed that a rate of interest of 3½% per annum would be earned in the future.

The rate of mortality experience by the employees in service would follow that represented by the Oriental 1925-35, ultimate table.

The rate or mortality experienced by the Pensioners would be represented by the British Annuitants 1900-1920 table with a rating up of 3 years to the age. Sexes were differentiated.

6. The benefits under the M.S.R.briefly stated are as below -

a) Inferior sergice counts after the age of 16 years.

b) (i) Pension after a service of not less than 10 years in Superior service, calculated at the rate of the number of years of service multiplied by the average emoluments divided by 60, subject to certain limits of amount according to service. Half the average emoluments being admissible as pension for service of 25 years and above.

(ii) Out of the pension, a maximum of 25% subject to the upper limit of Rs.50/- per month may be commuted subject to physical fitness.

c) If retired with less than 10 years service, one month's emoluments as on the date of retirement for each year of service.

d) If a Government Servant dies after 5 years qualifying ser compassionate gratuity at the rate of one month's pay fo each year of approved service based on the pay on 1st July of each year subject to a maximum.

e) In cases where the aggregate pension plus the commuted ~~mk~~ value, if any, drawn by a retired Officer is less tha the gratuity admissible under the rules, had he died jus on the date of retirement, the excess of the gratuity ov the pension and commuted value drawn will become payable to the heirs of the deceased Officer.

f) In the case of inferior service, gratuity is paid for services less than 15 years at one month's pay for ea completed year of service, and pension at x/60 of avera emoluments where 'X' is the number of years of service, the maximum being half for service of 30 years and abo

7. The above benefits in respect of the 231 employees were valued on the basis mentioned by me in para 5 supra and the capitalized values as on the valuation date, 31st March 1950, are detailed below.-

Present value of Pensions including a reserve to permit benefits under 6(e)	Rs.7,68,234.
Present value of gratuity...	47,176.
Total.	Rs.8,15,410.
The present value of the future Provident Fund contributions.....	1,44,344.
Amount of accumulated Provident Fund contributions on 31st March 1950..	1,46,843.
Total.....	Rs.2,91,187/-.

Extra cost - Rs.8,15,410 less Rs.2,91,187 = Rs.5,24,223/.

Therefore, if benefits under M.S.R. are to be provided to these employees, the capitalized value as on the valuation date would amount to Rs.8,15,410 while under the present Provident Fund Scheme, the capitalized value would amount to Rs.2,91,187/- . Thus the capitalized extra cost would amount to Rs.5,24,223/-.

8. The amount of Rs.5,24,223/- as the name suggests is the capitalized value of the extra cost and does not require to be provided immediately. The Pensioners will be few in the beginning and their number will gradually increase with the lapse of time extending to several years. For example, those in the age group 25-29 on 31-3-1950 will attain age 55 in the years 1976-80 and superannuation pension payments commence thereafter only. And even after retirement, pension payments will have to be made monthly and not in one lumpsum.

9. If, therefore, it is required to know the value of Rs.5,24,22 spread out as an annuity for say, 30 years, the annual equvalent will be Rs.28,503/- or Rs.2,375/- per month. If spread over 40 years, the annual equivalent will be Rs.24,548/- or Rs.2,047/- per month. The above figures show that the extra strain imposed on account of the grant of benefits under the pension scheme is not heavy. In promotion, the

21

In practice, the charges/ will not emerge equally in year. The charges will be small in early years, ris maximum and after a period w[illegible] dwindle.

Yours faithfully,

Sd/- A. V. KRISHNAMURTHY,

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" C O P Y ".

Commissioner,
Corporation of the City of Bangalore

9/3

2nd No. 1 1863 Dt 12th May 53

CM 97-53-2

To

The Commissioner

Corporation of the city of Bhe

(Through the Mayor)

Subject: Abolition of present Board System in case of pension in respect of certain employees of the erstwhile M.C. and S station

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Sir,

With Reference to the Correspondence ending on your letter no B/1/8049 dated 9.3.53 on the above subject, I am directed to state that the pension Rules are now superseded by revised pension Rules, except in the case of certain classes of officers of the Service has to be introduced, if so on to the revised Rules which may have to be made applicable the option of the Railway

-2 5-

earlier reference to the revised pension Rules may be obtained and furnished to Govt very early.

Yours faithfully

NS
Asst Sec
6/5/53

6/5/53

Recd on 10/x/53 24

4123
3 OCT 1953

CORPORATION OF THE CITY OF BANGALORE

No B1/53-54.
Enc. 1 report
CM 1-53-71

CORPORATION OFFICES,
BANGALORE

Dated 25th September 1953

FROM

K HENJERAPPA, ESQ, BA, BL,
COMMISSIONER,
CORPORATION OF THE CITY OF BANGALORE,
BANGALORE

To

The Assistant Secretary to the Government of Mysore,
Local Self Government and Planning Departments,
B A N G A L O R E

28/9

SIR, SUBJECT - Abolition of Provident Fund System in lieu of Pension in respect of certain employees of the erstwhile Municipal Commission, Civil Station, Bangalore

MHS

I forward herewith the copy of report (in original) dated 22nd September 1953 received from the Actuary to the Government of Mysore explaining the financial implications in the matter of applying Revised Pension Rules of the Mysore Government to the employees in question and request that for the reasons explained in my letter dated 11th March 1953, the Government May be pleased to accord sanction for extending the benefits of Revised Pension Rules to all the employees of the erstwhile Municipal Commission, Civil Station, Bangalore who were contributing to Provident Fund

Yours faithfully,

Henjerappa 26/9

(K HENJERAPPA)
COMMISSIONER

VKR
25/9/53
25/9

25

H.V.KRISHNAMURTHY, B.Sc., F.I.A.,
F.C.I.I.,
Actuary.

25, 10th Main Road,
Malleswaram,
Bangalore-3.
22nd September 1953.

To

The Honorary Secretary,
The Bangalore Corporation Municipal
Employees' Association, BANGALORE.

Dear Sir,

Re:Calculation of pension etc., liabilities in respect of certain ex-Civil Station employees.

As requested by you in your letter dated 20th May 1953, I have calculated the present values of the various benefits allowable according to the Revised Pension Rules of the Mysore Government which were brought into effect by G.O.No.Fl(B)7337-7437-C.R.32-52-1 dated 4th October 1952. The values were calculated in respect of 226 employees of the erstwhile Civil Station Municipal employees who were absorbed in the Corporation service.

2 The date on which the present values were calculated was 31st March 1953, and the following bases were adopted in the actuarial computations,-

The mortality during service of both males and females was assumed to follow that represented by the Oriental 1925-35 ultimate table.

The mortality of pensioners was assumed to follow the mortality of the British Annuitants 1900-1920 experience with a rating up of 3 years. Separate tables were employed for males and females.

Money was assumed to earn 3½% per annum compound interest

3. Below is a summary of the benefits allowed by the Revised Pension Rules referred to in Para 1 above.

(a) Pensions:-

The qualifying period for retirement is 30 years but Government may retire a person after 25 years service or attainment of 50 years of age.

For persons in Superior service, gratuity as stated

25

H.V.KRISHNAMURTHY, B.Sc., F.I.A.,
F.C.I.I.,
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Money was assumed to earn 3½% per annum compound interest.

3. Below is a summary of the benefits allowed by the Revised Pension Rules referred to in Para 1 above.

(a) Pensions:-

The qualifying period for retirement is 30 years but Government may retire a person after 25 years service or attainment of 50 years of age.

For persons in Superior service, gratuity as stated

stated in Schedule A of the Rules is payable on retirement during the first 9 years of service and for persons in Inferior service, gratuity as stated in Schedule A of the Rules is payable on retirement during the first 14 years of service. Thereafter, pension at the rate of x/80 of the average emoluments is paid, the maximum value of x being 30. There is also a limitation to the amount of pension payable per annum, the maximum being Rs. x X 150 per annum and the upper limit being Rs.4,500/- per annum.

(b) Death cum Retirement Gratuity:-

These benefits are granted to those retiring or dying after 5 years qualifying service. These are paid in addition to Pension benefits mentioned in para 3 (a) above.

(i) The amount of the Gratuity will be equal to 9/20 of emoluments multiplied by the number of completed years of service. The maximum gratuity will be 15 times the emoluments. The minimum gratuity will be 12 times the emoluments if death occurs while in service.

(ii) If the death of a Government Servant occurs within 5 years from the date of retirement, vide para 3 (a) above, and the sums actually received by him before death of such gratuity or pension together with gratuity granted under (i) above are less than 12 times his emoluments, then a gratuity equal to the deficiency will be paid to his heirs.

(c) Family pension:-

(i) This benefit is payable to the family of the Government servant in the event of his death after the completion of 20 years qualifying service.

(ii) The benefit is payable for 5 years from the date of death, if death occurs while in service

or

for the unexpired portion of the 5 year period from the date of retirement in case of death after retirement

(iii) The maximum amount payable in any case is Rs.150/- per month and the actual amounts in individual cases are determined as noted below:-

In the event of death in service—$\frac{1}{2}$ the pension admissible to the officer had he retired on the date following the date of his death.

In the event of death after retirement—$\frac{1}{2}$ the pension at retirement.

4. The present values of the above benefits were calculated according to the valuation bases mentioned in para 2 supra as on 31st March 1953 and the various present values are noted below:-

(i) Present value of pensions ------ Rs.6,23,925.

(i)		B.F.	Rs. 6,23,925.
(ii)	Present value of Gratuity vide para 3 (b) (i)		
	On retirement	Rs.1,54,138	
	On death	Rs. 29,382	Rs. 1,83,520
	Present value of contingent death benefits-- vide para 3 (b) (ii) Supra		Rs. 8,276.
(iii)	Present value of Family Pension:-		
	While death in service.	14,614	
	While death after retirement.	4,934	Rs. 19,548
	Total of (i) plus (ii) plus (iii)		Rs. 8,35,269.

5. At present there is a Provident Fund Scheme operating in respect of these employees. The employees contribute 1/16 of their salary every month. These contributions earn interest year after year and these amounts are returned to the employees on withdrawal from service either by way of resignation, retirement or death. An equal contribution is made by the Municipality.

The accumulated past contributions of the employees as on 31st March 1953 amounted to Rs.1,75,504-12-1 or neglecting annas and pies the amount was Rs.1,75,504. The present value of the future provident Fund contributions is estimated to amount to Rs.1,23,851. The total of the above two items of Provident Fund comes to Rs 2,99,355 The difference between the present value of the benefits under the new pension rules vide para 4 supra and the amount of the Provident Fund amounts, past and present, represent the capitalised burden to be borne by the Corporation and comes to Rs.5,35,914.

6. The above amount of Rs.5,35,914 is the capitalized value of the cost to be borne by the Municipal Corporation and does not require to be provided immediately. The pensioners will be few in the beginning and their number will gradually increase with the

the lapse of time extending to several years. For example, those in the age group 25-29 on 31st March 1953 will attain age 55 in the years 1979-83 and therefore superannuation payments commence thereafter only. And even after retirement, pension payments will be made monthly and not in one lumpsum. If therefore, it is required to know the value of Rs.5,35,914, spread out as an annuity for say, 30 years, the annual equivalent will be Rs.29,138 or Rs.2,428 per month. If spread over 40 years, the annual equivalent will be Rs.25,095 or Rs.2,091 per month. The above figures show that the strain imposed on account of the grant of benefits under the pension scheme is not heavy In practice, the charges will not emerge equally in every year. The charges will be small in early years, rise to a maximum and after a period will dwindle.

7. The actual extra cost to the Municipality is not however the above amount of Rs 5,35,914. According to the present Provident Fund Scheme, an amount equal to the employees contribution is ~~contributed~~ subscribed by the Municipality and therefore even according to the existing scheme of Provident Fund, the present value of the Municipality's Provident Fund contributions will be Rs.2,99,355 and the difference between this figure and Rs.5,35,914 which will amount to Rs.2,36,559 is the real extra strain that will have to be shouldered by the Corporation if the benefits are according to the revised Pension rules. If this difference of Rs 2,36,559 is spread over a period of 30 years, the annual equivalent will be Rs.12,862 or Rs 1,072 per month. If spread over 40 years, the amount per annum will be Rs.11,077 or Rs.923/- per month.

Yours faithfully,

H.V Krishnamurthy

G R S App F VI—G 2]

SUBJECT

29

No of letter replied to

General and Revenue Secretariat

( )

the *195*

Date of issue 195

Signed by

May this be—
(i) printed ?
(ii) treated as a standing order ?
(iii) published in the Gazette English Part ?
(iv) translated ?
(v) placed at the disposal of the Press ?
(vi) published in the Gazette Kannada Part ?

10 Copies

Section CH
Serial No 72
File No 1-53-

Proceedings of the Government of His Highness the Maharaja of Mysore

Read—

Correspondence ending with letter no B 1/53 52 dated 05-9-1953 from the Commissioner, C C B Order thereon—No forwarding the Resolution dated 12-2-1951 of the Corporation Recommending the grant of pension to such of the employees who under the old Rules of the erstwhile Municipal Commission and the Station ~~were to be~~ ~~in the Corporation~~ under the provident fund System

3N

and Continues to be so even

after Coming to the Corporation

Service, ~~and~~ so as to part of Nilgiri also

on a level with those in other

pensionable Services in the Corporation

Order No 4 10251-4 / 101-XI-53

in the erstwhile Bangalore

City Municipality all the employees

Came under pension System while

in the civil Station Municipality

some were under pension System

and others under P F System. Though

the two areas have merged into

a single Corporation from 8 9 1949

these disparities ~~of Conditions~~ in

the same Service still Continues

~~As~~ A majority of the Corporation

employees are under pension

and some only under P F ~~System~~.

System. The need was ~~Recently~~ therefore

List of Enclosures

Copied by

Examined by

WD 01406—GPB—12 000 —23 10 52

ɔendix F G—1]

BJECT

37

Section

File No

Serial No

ıy No of letter replied to

No.

To

Gen eral and Revenue Secretariat

( )

the *195*

Date of issue

Signed by

List of enclosures

Copied by

Examined by

In the conditions of Service
Keenly felt for conformity) The
Corporation which Considered
the Subject on 12-2-1951
accepted the Recommendation
of the Standing Committee
(Taxation and Finance) for a Scheme
of the provident Fund System
applicable to a Small Section of the
Gratuitous and Slaw on municipal
employees in Case of pension
the Commissioner has accordingly Recommended
Sanction to Extending the Benefits
of pension to all employees who
were hitherto Contributing to

provident Fund and to Refund to him
and his Subscriptions at the time of Retirement,
after to Subscriptions so far Contributed
per by him being treated as optional
on provident Fund the proposes that
pe those benefits may be given effect
to in respect of employees who have
Retired or will Retire on or after
12-2-1951 i e the date of the Resolution
of the Corporation

Government Consider that the
proposals of the Corporation were Reasonable
and are in of casting benefits to
affording security in old age
his employees. they are accordingly
pleased to direct that the officers
and staff of the Corporation who
were heretofore Contributing to provident
Fund under the Rules of the former
Mysore and Retire up on or after 12 2 1951
Mysore Civil Station are allowed pension
according to the Scale laid down
in the MSR the Subscriptions paid by the employees
so far to the provident Fund in the

ppendix F G—1]

UBJECT

33

Section C M

File No 1-58-

Serial No 72

Diary No of letter replied to

No

To

Gen eral and Revenue Secretariat

( )

the *195*

Treated as official and to show Retirement at the time of their attaining Superannuation

for L.S.G Secy.

Sgd 4/12/53

Date of issue

Signed by

To

1) The Commissioner CC B (through Mayor)

2) A G } through F D

3) Controller S A D }

4) Auditor- CC B

List of enclosures

14/12/53

Copied by

Examined by

WD 01416—GPB—30 000—11 10-52

PROCEEDINGS OF THE GOVERNMENT OF MYSORE

R e a d :-

Correspondence ending with letter No.B.1/53-54 dated the 25th September 1953 from the Commissioner, Corporation of the City of Bangalore, forwarding the resolution dated the 12th February 1951 of the Corporation recommending the grant of pension to such of the employees who under the old rules of the erstwhile Municipal Commission, Civil Station, were under the Provident Fund System and continue to be so even after coming to the Corporation Service so as to put them also on a level with those in other pensionable services in the Corporation.

ORDER No.L. 10251-4/CM 1-53-52

DATED, BANGALORE, The 16/17 NOVEMBER 1953.

In the erstwhile Bangalore City Municipality all the employees came under pension system while in the Civil Station Municipality some were under pension system and others under Provident Fund System. Though the two areas have merged into a single Corporation from 8th Sept.1949 these disparities in the same service still continue.

2. A majority of the Corporation employees is under pension system and some only under the Provident Fund Scheme. The need was therefore keenly felt for uniformity in the conditions of service. The Corporation which considered the subject on 2-2-1951 accepted the recommendation of the Stand Committee (Taxation and Finance) for abolition of the Provident Fund System applicable to a small section of the erstwhile Civil Station Municipal employees in lieu of pension. The Commissioner has accordingly recommended sanction to extending the benefits of pension to all employees who were hitherto contributing to Provident Fund and to refund to them their subscriptions at the time of retirement, the subscriptions so far contributed by them being treated as optional Provident Fund. He proposes that these benefits may be given effect to in respect of employees who have retired or will retire on or after 12th February 1951, i.e., the date of the resolution of the Corporation.

3. Government consider that the proposals of the Corporation are reasonable and will be of lasting benefits to its employees affording security in old age. They are accordingly pleased to direct that the officers and staff of the Corporation who were hitherto contributing to Provident Fund under the old rules of the former Municipal Commissioner, Civil Station, and retiring on or after 12-2-1951 be allowed pension according to the scale laid down in the Mysore Service Regulations. The subscriptions paid by the employees so far to the Provident Fund will be treated as optional and refunded to them at the time of their attaining superannuation.

(V.Hanumanthappa)
for Secretary to Government,
L.S.G. & Planning Departments

To

The Commissioner, Corporation of the City of Bangalore, (through the Mayor)
" Accountant-General, Mysore, Bangalore, } through Fl. Deptt.
" Controller, State Accounts Department, }
" Auditor, Corporation of the City of Bangalore.

LSG.10.14/11.

PROCEEDINGS OF THE GOVERNMENT OF MYSORE

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(V.Hanumanthappa)
for Secretary to Government,
L.S.G. & Planning Departments

To

The Commissioner, Corporation of the City of Bangalore, (through the Mayor)
" Accountant-General, Mysore, Bangalore, } through Fl.Deptt.
" Controller, State Accounts Department, }
" Auditor, Corporation of the City of Bangalore.

LSG.10.14/11.